

## Message Text

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ACTION EA-09

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 EB-07 CIEP-01 TRSE-00 STR-04 OMB-01

CEA-01 COME-00 SAM-01 IO-11 AGR-05 /104 W

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R 270948Z FEB 76

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 4672

INFO AMEMBASSY BANGKOK

CINCPAC

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

AMEMBASSY MANILA

AMEMBASSY MOSCOW

AMEMBASSY TOKYO

AMEMBASSY VIENTIANE

AMEMBASSY CANBERRA

C O N F I D E N T I A L SECTION 1 OF 2 SINGAPORE 0956

CINCPAC FOR POLAD

CANBERRA PLEASE PASS TO ASST. SECRETARY HABIB

E.O. 11652: GDS

TAGS: ASEAN

SUBJ: COMMENTS BY SINGAPORE FOREIGN MINISTER ON ASEAN SUMMIT

SUMMARY: GOS FOREIGN MINISTER RAJARATNAM FELT THAT ASEAN SUMMIT IN BALI HAD COME OFF BETTER THAN GOS HAD EXPECTED, ALTHOUGH ASEAN ECONOMIC MINISTERS' MEETING IN KUALA LUMPUR MARCH 8-9 WOULD BE "CRUCIAL" IN SEEING WHETHER CONCRETE RESULTS HAD REALLY BEEN ATTAINED. GOS POSITION REMAINS THAT REGIONAL ECONOMIC PROGRESS IS NECESSARY IF SUBVERSION CAN BE KEPT UNDER CONTROL.  
PM LEE KUAN YEW USED PRIVATE MEETING WITH PRESIDENT SUHARTO  
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TO EXPLAIN SINGAPORE'S VIEWS ON ECONOMIC MATTERS, AND WHILE TIMOR

WAS NOT MENTIONED, ATMOSPHERICS BETWEEN LEE AND SUHARTO WERE GOOD. SECURITY ASPECTS WERE PLAYED DOWN IN THE BALI DOCUMENTS IN PART TO PROVIDE LAOS AND CAMBODIA WITH AN OPPORTUNITY TO MOVE OUT FROM UNDER NORTH VIETNAMESE INFLUENCE. RAJARATNAM BELIEVED THAT NORTH VIETNAMESE ATTACK ON ASEAN WAS AT SOVIET INSTIGATION AND REPRESENTED USSR'S TRUE POSITION DESPITE ITS OWN EXPRESSION OF QUALIFIED SUPPORT. END SUMMARY.

1. I CALLED ON FOREIGN MINISTER RAJARATNAM FEBRUARY 27 TO LEARN WHAT I COULD FROM HIM OF GOS REACTION TO ASEAN SUMMIT AT BALI. RAJARATNAM WAS IN OPTIMISTIC MOOD ABOUT ASEAN PROSPECTS, AND COMMENTED THAT HE WAS MORE THAN JUST CAUTIOUSLY OPTIMISTIC REGARDING THE OUTCOME. GREATER DEGREE OF AGREEMENT HAD BEEN REACHED AT BALI THAN GOS HAD ANTICIPATED.

2. HOWEVER, RAJARATNAM CHARACTERISTICALLY FOCUSED UPON ECONOMIC ASPECTS OF BALI SUMMIT, AND STATED THAT ECONOMIC MINISTERS' MEETING AT KUALA LUMPUR MARCH 8-9 WOULD BE "CRUCIAL" IN SHOWING WHETHER OR NOT CONCRETE RESULTS WOULD BE OBTAINED FROM THE SUMMIT. AT KUALA LUMPUR MEETING, EACH COUNTRY WOULD LAY OUT ECONOMIC PROJECT WHICH IT PROPOSED TO UNDERTAKE UNDER GENERAL RUBRIC OF REGIONAL DEVELOPMENT IN FOODSTUFFS AND ENERGY. (SINGAPORE WOULD CONCENTRATE ON PETROCHEMICALS.) IN OBVIOUS REFERENCE TO INDONESIA AND PRESIDENT SUHARTO, RAJARATNAM WONDERED WHETHER THE KIND OF AGREEMENT WHICH ONE COUNTRY WENT ALONG WITH ONLY FOR SAKE OF MAKING THE ASEAN SUMMIT APPEAR SUCCESSFUL WOULD IN FACT BE ADHERED TO. NEVERTHELESS, GOS HAD BEEN ENCOURAGED BY REMARK MADE BY PRESIDENT SUHARTO IN HIS FAREWELL ADDRESS AT BALI TO EFFECT THAT HE WOULD "GUARANTEE" INDONESIA'S PLAYING ITS FULL PART (RAJARATNAM COULD NOT RECALL SUHARTO'S EXACT WORDING).

3. WITH INDONESIAN RESENTMENT OF SINGAPORE'S UN VOTE ON TIMOR IN MIND, I ASKED RAJARATNAM IF PRIME MINISTER LEE KUAN YEW AND PRESIDENT SUHARTO HAD GOTTEN TOGETHER PRIVATELY TO SMOOTH THINGS OVER. I RECALLED HAVING SEEN A NEWS STORY THAT SUHARTO HAD PAID CALL ON PRIME MINISTER LEE. RAJARATNAM SAID THAT SUHARTO HAD PAID FORMAL CALL ON ALL ASEAN LEADERS, BUT HAD INDEED SOUGHT OUT PRIME MINISTER LEE FOR ADDITIONAL PRIVATE MEETING. PRIME MINISTER LEE HAD USED THIS OCCASION TO SET FORTH GOS POSITION  
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ON ECONOMIC DEVELOPMENT, EXPLAINING THAT SINGAPORE'S INTRA-REGIONAL TRADE WAS DIMINISHING IN PERCENTAGE TERMS WHEN COMPARED TO TRADE WITH WESTERN EUROPE, U.S., AND JAPAN, AND THAT INDONESIA'S NEW LIGHT INDUSTRIES HAD NO CAUSE TO FEAR COMPETITION FROM SINGAPORE. PRIME MINISTER LEE HAD ALSO TAKEN LINE THAT WHEN REGIONAL ECONOMIC CONDITIONS WERE GOOD, SUBVERSION WAS ONLY A NUISANCE, WHILE IF SITUATION WORSENED IT BECAME A SERIOUS THREAT (RAJARATNAM INDICATED HERE THAT WHILE SUHARTO MAY HAVE

BEEN AT LEAST PARTLY WON OVER, THE INDONESIAN "TECHNOCRATS" SUCH AS WIDJOJO WERE STILL TO BE RECKONED WITH). ACCORDING TO RAJARATNAM, THE TIMOR ISSUE WAS NEVER MENTIONED ALTHOUGH PRIME MINISTER LEE DID SAY IN GENERAL TERMS THAT ON MAJOR QUESTIONS THERE SHOULD BE FULL PRIOR CONSULTATIONS AMONG THE ASEAN MEMBERS BEFORE ACTION WAS TAKEN. RAJARATNAM EXPLAINED THAT "VIA THE GRAPEVINE" GOS HAD LET IT BE KNOWN THAT ITS MAIN REASON FOR ABSTENTION ON TIMOR VOTE WAS FAILURE OF INDONESIANS TO PROVIDE ADEQUATE CONSULTATIONS.

4. I MENTIONED THAT ONLY A FEW WORDS HAD BEEN SAID IN SUMMIT DOCUMENT ON SECURITY, AND WONDERED IF ADDITIONAL ATTENTION HAD BEEN DIRECTED TO THIS SUBJECT BEHIND THE SCENES. RAJARATNAM REPLIED AFFIRMATIVELY. HE NOTED THAT DECISION TO PLAY DOWN SECURITY ASPECT HAD BEEN TAKEN IN PART TO PROVIDE LAOS AND CAMBODIA MORE OPPORTUNITY TO MOVE OUT FROM UNDER NORTH VIETNAMESE INFLUENCE AT SOME FUTURE POINT IN TIME. ASEAN LEADERS HAD NOTED THAT NEITHER LAOS NOR CAMBODIA HAD JOINED WITH HANOI IN ATTACKING THE ASEAN SUMMIT, THUS INDICATING THAT NEITHER WAS FULLY UNDER NORTH VIETNAMESE RULE (PARENTHETICALLY, RAJARATNAM REMARKED THAT GOS HAD JUST RECEIVED INFORMATION THAT LAOS WAS CONSIDERING ESTABLISHING DIPLOMATIC RELATIONS WITH MALAYSIA AND SINGAPORE). HANOI ON THE OTHER HAND HAD MADE ITS HOSTILITY KNOWN IN NO UNCERTAIN TERMS, FUNCTIONING, AS RAJARATNAM PUT IT, AS THE SOVIET UNION'S "SATELLITE". HE WAS CONVINCED THAT THE USSR HAD STIMULATED HANOI'S ATTACK, WHILE FOR ITS OWN PART TAKING A QUALIFIEDLY FAVORABLE VIEW IN ORDER NOT TO OFFEND THE MEMBERS OF WHAT WAS NOW BECOMING A "GOING CONCERN".

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USIA-06 AID-05 EB-07 CIEP-01 TRSE-00 STR-04 OMB-01

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R 270948Z FEB 76  
FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 4673  
INFO AMEMBASSY BANGKOK  
CINCPAC  
AMEMBASSY JAKARTA  
AMEMBASSY KUALA LUMPUR  
AMEMBASSY MANILA  
AMEMBASSY MOSCOW  
AMEMBASSY TOKYO  
AMEMBASSY VIENTIANE  
AMEMBASSY CANBERRA

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CINCPAC FOR POLAD

5. REVERTING BACK TO THEME OF RELATIONSHIP BETWEEN REGIONAL ECONOMIC PROGRESS AND ABILITY TO COPE WITH INSURGENCY, RAJARATNAM SAID THAT GOS, AT LEAST, HOPED THAT IF THAILAND, FOR EXAMPLE, COULD SET A GOOD MODEL OF GROWTH, LAOS AND CAMBODIA WOULD REALIZE THAT COMMUNIST SYSTEM COULD NOT PROVIDE THE SAME BENEFITS AND WOULD ADJUST THEIR POLICIES ACCORDINGLY. AS FAR AS NORTH VIET-NAM WAS CONCERNED, RAJARATNAM HOPED THAT PRESENT 10-YEAR EDGE IN ECONOMIC DEVELOPMENT WHICH ASEAN REGION AS A WHOLE ENJOYED OVER NORTH VIET-NAM COULD BE MAINTAINED AND EVEN EXTENDED. HE APPEARED CONFIDENT THAT SUCH WOULD BE THE CASE PROVIDED ECONOMIC COOPERATION AMONG ASEAN MEMBERS COULD BE SUSTAINED.

6. ON RELATIONSHIPS AT BALI AMONG ASEAN LEADERS, RAJARATNAM  
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SAID, AS NOTED ABOVE, THAT ATMOSPHERICS BETWEEN PRIME MINISTER LEE AND PRESIDENT SUHARTO WERE GOOD. MALAYSIA'S DATUK HUSSEIN ONN CONTINUED TO IMPRESS GOS WITH HIS HONESTY AND SINCERITY. HUSSEIN ONN WAS NOT A POLITICIAN, RAJARATNAM REMARKED, BUT WAS ALL THE BETTER FOR IT. ONCE HE MADE HIS MIND UP, HE STUCK TO HIS POSITION. THAILAND'S KUKRIT HAD NOT MADE MUCH OF A CONTRIBUTION AT BALI, HAVING BEEN PREOCCUPIED WITH THE FORTHCOMING THAI ELECTIONS. ASKED IF PRESIDENT MARCOS HAD MADE MUCH OF A SPLASH, RAJARATNAM COMMENTED WRYLY THAT MARCOS WAS THE ONLY ONE TO HAVE ARRIVED AT BALI WITH TWO AIRCRAFT AND PRESS ENTOURAGE OF 138 PEOPLE (SINGAPOREANS TYPICALLY FIND MARCOS FLAMBOYANT AND HARD TO TAKE SERIOUSLY). RAJARATNAM ACKNOWLEDGED IN RESPONSE TO MY QUESTION THAT HE HAD PLAYED A SIGNIFICANT PART IN BRINGING ABOUT COMPROMISE BETWEEN HUSSEIN ONN AND MARCOS ON ISSUE OF SETTLEMENT OF DISPUTES WITHIN ASEAN. WHEN IT HAD BECOME EVIDENT THAT THE TWO PARTIES WERE ANXIOUS FOR A COMPROMISE, HE SAID, IT WAS THEN POSSIBLE TO STEP IN AND WORK OUT LANGUAGE ACCEPTABLE TO BOTH.

7. IN MY RECENT CONVERSATIONS WITH RAJARATNAM HE HAS TAKEN AN

OVERT ANTI-SOVIET LINE AND PRESENT MEETING WAS NO EXCEPTION.  
AS ALREADY MENTIONED, HE FELT THAT BASIC SOVIET ATTITUDE TOWARD  
ASEAN HAD BEEN EXPRESSED ON SOVIET'S BEHALF BY HANOI. HE REFERRED  
TO WHAT EVIDENTLY HAD BEEN RECENT CONVERSATION WITH SOVIET  
AMBASSADOR IN SINGAPORE IN WHICH LATTER HAD CRITICIZED ECO-  
NOMIC ASPECTS OF ASEAN AS BEING OF GREATER BENEFIT TO U.S. AND JAPAN  
THAN TO ASEAN MEMBERS THEMSELVES. RAJARATNAM STATED THAT HE  
HAD RESPONDED BY TELLING THE AMBASSADOR THAT IF THE USSR WANTED  
TO INVEST IN THE REGION ON BASIS OF TRUE EQUALITY, THEN IT WAS  
WELCOME TO DO SO.

8. FINALLY, RAJARATNAM SAID THAT THE U.S. WOULD PROBABLY BE  
HEARING FROM ASEAN ON THE SUBJECT OF U.S.-ASEAN ECONOMIC  
DISCUSSIONS SUBSEQUENT TO THE KUALA LUMPUR ECONOMIC MINISTERS'  
MEETING. HOLDRIDGE

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